

Global Markets Research

Fixed Income

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	4.59	-28
5-yr UST	3.97	-23
10-yr UST	3.70	-21
30-yr UST	3.71	-14

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.47	-6	3.44	-4
5-yr	3.57	-8	3.60	-9
7-yr	3.89	0	3.85	-1
10-yr	3.94	-8	3.98	-7
15-yr	4.14	-5	4.16	-7
20-yr	4.20	-1	4.14	-4
30-yr	4.41	0	4.49	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	3.64	-6
3-yr	3.66	-7
5-yr	3.71	-9
7-yr	3.80	-9
10-yr	3.94	-7

Source : Bloomberg

Upcoming Government Bond Tender

Re-opening of RM5.0b of 7Y GII 9/30 on Tuesday, 14th March, 2023

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries rallied last Friday on flight-to-safety, as the shutdown of Silicon Valley Bank (SVB) reverberated across US financial markets. The curve shifted sharply lower and steepened as overall benchmark yields fell between 14-28bps across notching one-day declines not seen since the global financial crisis. **The benchmark UST 2Y yield plunged 28bps lower to 4.59% whilst the much-watched UST 10Y rallied with yields ending 21bps lower 3.70%.** Volatility that caused gyrations in USTs has surfaced following hawkish comments earlier by Fed Chair Powell, along with a mixed February jobs report and SVB's failure. Safe-haven flows are now seen, driven by the fallout from the banking sector and rising recession risk. Fed-dated OIS pricing is now reflecting a drop in probability to 57% for a 50bps rate hike in the upcoming March FOMC meeting with peak terminal rates sharply lower at ~5.13% in July. Meanwhile, expect attention to shift to the release of February CPI data tomorrow night.

MGS/GII

- Local govies continued to gain ground for the 2nd consecutive session last Friday spurred by lower IRS yields. The curve shifted lower as overall benchmark MGS/GII yields closed 0-9bps lower across, amid a 20% decrease in secondary market volume @ RM5.16b. Both the **benchmark 5Y MGS 11/27 and 10Y MGS 7/32 rallied with yields ending 8bps lower at 3.57% and 3.94% each.** Interest was mainly seen in off-the-run 24's, and benchmark 3Y MGS/GII, 10Y MGS. GII transactions jumped to form 28% of overall trades. Expect attention to shift to the release of January industrial production figures later today.

Corp Bonds/Sukuk

- Last Friday, Corporate Bonds/Sukuk saw decent activity with interest mainly across the GG-AA part of the curve. Secondary market rose by 16% to RM397m as overall yields ended mixed-to-higher across a higher number of trades totaling ~35. DANA bonds dominated the govt-guaranteed space. The long-ends i.e.; 9/49 and 4/52 tranches declined 5bps to 4.55% and 4.59% each whereas the 32-33's closed mixed on yields between 4.12-18% instead. AAA-rated DANUM 6/25 saw the highest trades totalling RM50m; edging 2bps lower at 3.92%. In the AA-space, energy-related bonds TG BIN Power 8/25 bonds closed unchanged at 4.30%. BGSM however saw its 8/25 bonds ease 5bps to 4.07% but its 8/27 tranche however edged 1bps up at 4.25%. Meanwhile, the banking/finance space was relatively quiet with several odd-lot trades seen in UOB, AFFIN Islamic and Alliance bank bonds.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yyyy)	(bp)
MGS	03/23	3.065	100	2.887	09/03/2023	18
MGS	04/23	2.924	126	2.850	09/03/2023	7
MGS	08/23	2.970	50	2.836	09/03/2023	13
MGS	06/24	3.223	7	3.193	09/03/2023	3
MGS	07/24	3.210	296	3.219	09/03/2023	-1
MGS	09/24	3.251	225	3.276	09/03/2023	-2
MGS	03/25	3.370	3	3.363	09/03/2023	1
MGS	09/25	3.347	116	3.440	09/03/2023	-9
MGS	07/26	3.473	354	3.534	09/03/2023	-6
MGS	11/26	3.572	12	3.524	09/03/2023	5
MGS	05/27	3.609	292	3.656	08/03/2023	-5
MGS	11/27	3.566	894	3.648	09/03/2023	-8
MGS	06/28	3.741	47	3.760	09/03/2023	-2
MGS	04/29	3.840	1	3.884	09/03/2023	-4
MGS	08/29	3.885	101	3.973	08/03/2023	-9
MGS	04/30	3.891	145	3.895	09/03/2023	0
MGS	04/31	4.004	105	4.004	09/03/2023	0
MGS	06/31	3.932	40	4.006	09/03/2023	-7
MGS	04/32	4.081	4	3.995	02/03/2023	9
MGS	07/32	3.943	430	4.026	09/03/2023	-8
MGS	04/33	4.014	50	4.100	09/03/2023	-9
MGS	11/33	3.996	15	4.088	09/03/2023	-9
MGS	07/34	4.095	95	4.393	09/03/2023	-30
MGS	04/37	4.156	46	4.239	09/03/2023	-8
MGS	06/38	4.135	68	4.184	09/03/2023	-5
MGS	05/40	4.339	5	4.300	09/03/2023	4
MGS	10/42	4.203	4	4.209	09/03/2023	-1
MGS	03/46	4.302	6	4.365	09/03/2023	-6
MGS	07/48	4.459	2	4.466	09/03/2023	-1
MGS	06/50	4.414	60	4.414	09/03/2023	0
GII	05/23	2.799	15	2.919	09/03/2023	-12
GII	08/25	3.460	6	3.480	08/03/2023	-2
GII	10/25	3.439	370	3.474	09/03/2023	-4
GII	03/26	3.502	10	3.534	08/03/2023	-3
GII	09/27	3.592	14	3.652	09/03/2023	-6
GII	07/28	3.596	50	3.681	09/03/2023	-9
GII	10/28	3.713	204	3.772	09/03/2023	-6
GII	07/29	3.854	80	3.860	09/03/2023	-1
GII	09/30	3.900	80	3.936	09/03/2023	-4
GII	10/30	3.923	190	3.988	08/03/2023	-6
GII	10/32	3.984	300	4.053	09/03/2023	-7
GII	08/37	4.180	20	4.282	02/03/2023	-10
GII	03/38	4.157	80	4.223	09/03/2023	-7
GII	09/41	4.321	1	4.261	09/03/2023	6
GII	05/47	4.375	40	4.394	01/03/2023	-2
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Daily Trades : Corp Bonds/ Sukuk

Securities		Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*
Prasarana Malaysia Berhad	08/26	GG	3.707	25	4.351	14/10/2022	-64	25
DanaInfra Nasional Berhad	03/32	GG	4.120	10	4.352	21/07/2022	-23	21
DanaInfra Nasional Berhad	10/33	GG	4.178	10	4.099	22/02/2023	8	23
Prasarana Malaysia Berhad	08/42	GG	4.369	30	4.380	01/03/2023	-1	17
DanaInfra Nasional Berhad	04/43	GG	4.395	10	4.352	24/09/2021	4	19
DanaInfra Nasional Berhad	09/49	GG	4.550	15	4.600	10/02/2023	-5	35
DanaInfra Nasional Berhad	04/52	GG	4.590	20	4.640	24/02/2023	-5	39
Telekom Malaysia Berhad	06/24	AAA	3.851	10	2.749	19/11/2021	110	65
Telekom Malaysia Berhad	12/24	AAA	3.933	10	3.869	03/02/2023	6	59
Danum Capital Berhad	06/25	AAA	3.921	50	3.945	01/03/2023	-2	58
Cagamas Berhad	08/25	AAA	3.955	5	3.886	14/02/2023	7	62
Projek Lebuhraya Usahasama Berhad	01/26	AAA	4.150	10	4.114	16/02/2023	4	69
Projek Lebuhraya Usahasama Berhad	01/26	AAA	4.148	1	4.097	23/02/2023	5	69
Danga Capital Berhad	02/26	AAA	3.918	10	3.904	08/02/2023	1	46
Petroleum Sarawak Exploration & Production Sdn Bert	11/27	AAA	4.206	5	4.205	24/02/2023	0	63
Petroleum Sarawak Exploration & Production Sdn Bert	11/29	AAA	4.404	50	4.318	20/01/2023	9	58
Tenaga Nasional Berhad	11/31	AAA	4.260	1	4.410	21/02/2023	-15	35
Projek Lebuhraya Usahasama Berhad	01/32	AAA	4.519	30	4.497	24/02/2023	2	452
TNB Western Energy Berhad	07/32	AAA	4.830	5	4.969	25/05/2022	-14	92
Petroleum Sarawak Exploration & Production Sdn Bert	02/33	AAA	4.589	5	4.570	21/02/2023	2	64
Infracap Resources Sdn Berhad	04/33	AAA	4.539	10	4.499	02/02/2023	4	59
United Overseas Bank (Malaysia) Berhad	10/32	AA1	4.017	1	4.017	06/03/2023	0	7
Fortune Premiere Sdn Berhad	12/24	AA	4.224	20	4.236	30/08/2022	-1	88
Tanjung Bin Power Sdn Berhad	08/25	AA2	4.300	5	4.295	21/02/2023	0	96
Bumitama Agri Ltd	07/26	AA2	4.289	10	4.295	01/03/2023	-1	83
UEM Sunrise Berhad	12/24	AA-	5.121	10	4.784	15/09/2022	34	178
Malaysian Resources Corporation Berhad	02/27	AA-	4.669	1	4.919	09/03/2023	-25	115
BGSM Management Sdn Berhad	08/25	AA3	4.068	10	4.122	17/02/2023	-5	73
PONSB Capital Berhad	06/27	AA3	4.853	1	4.850	09/03/2023	0	133
BGSM Management Sdn Berhad	08/27	AA3	4.249	5	4.239	20/02/2023	1	73
Johor Port Berhad	10/27	AA-	4.470	10	4.500	28/02/2023	-3	89
Tropicana Corporation Berhad	10/23	A+	6.174	1	6.201	03/03/2023	-3	617
DRB-Hicom Berhad	12/26	A+	4.555	1	4.501	02/03/2023	5	104
YNH Property Berhad	02/27	A+	5.346	2	5.343	09/03/2023	0	183
Eco World Capital Services Berhad	03/26	-	5.573	1	4.902	01/03/2023	67	211
				<u>397</u>				

*spread against nearest indicative tenured MGS (Source: BPAM)

SkyWorld Capital Berhad's Rating Action			
Issuer	PDS Description	Rating/Outlook	Action
Cagamas Berhad	Conventional and Islamic Commercial Papers (CCP/ICP) programmes with a combined aggregate limit of RM20 billion	MARC-1/MARC-1 IS/Stable	Assigned

Source: RAM, MARC

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